[redacted]

INTELLOFAX 5

CONFIDENTIAL

CENTRAL INTELLIGENCE ~~CONFIDENTIAL~~

~~INTELLIGENCE REPORT~~

124310

COUNTRY China

DATE: 25X1A6a

INFO. [redacted]

SUBJECT Economic Information: Magnesite and Talc Mines Near Tashihchiao, Manchuria

DIST. November 1947

PAGES 1

SUPPLEMENT

25X1A6a

ORIGIN [redacted]

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 15 October 1978 from the Director of Central Intelligence to the

25X1X6

[redacted]

1. Up to the present time no geological surveys have been made as to the capacity of the magnesite and talc mines located near Tashihchiao (122-30, 40-40), but it is believed that the mines will yield millions of tons. No pit working is needed, as the natural raw magnesite can be stripped off the surface, thus reducing the cost of the mining. The raw ore can be burnt at the kilns located at the mine. This would reduce transportation difficulties, as about 50% of the lime can be burned off in the immediate area. At present no coke is being made in Manchuria (?). Consequently, there would be some difficulty in burning the magnesite ore. The coke-process might be substituted by burning the magnesite with pure coal gas.

2. U.S. steel standards require burned magnesite containing no more than 5% silicate. During 1938 and 1940 America imported from this area large quantities of burned magnesite with a higher percentage of silicate, due to the fact that the Japanese were unable to produce a sufficient amount of coke. This magnesite was burned by ordinary coal or briquettes. It contained up to 12% silicate. 25X1A6a

3. A Chinese mining company, owned by WU Lu-sun, has at present about 8,000 tons of burned magnesite on hand. This product could be shipped via Yingkou (122-13, 40-40) as the Dairen port is not open. [redacted] Note: Chinese Communist-Nationalist fighting at Yingkou would prevent commercial use of the port at this time./ The mining company is asking about US$50.00 per long ton for the present processed stock. 25X1X6 [redacted] the present processed stock was burned by coal, therefore is not up to desired U.S. standards.

4. The talcum found at the mine meets U.S. standards, in the estimation of the source. (Iron less than 0.1% and lime less than 0.7%)/? U.S. standards, or analysis of the Manchurian product?/

5. The mines suffered slight damage due to the Russian occupation. The only machinery needed is stonebreakers. The kilns could be put in operation with little effort. Working at full capacity - with four kilns - the mine could produce about 1,000 tons of burned magnesite per month.

~~CONFIDENTIAL~~

Document No. 002 CLASSIFICATION ~~CONFIDENTIAL~~

NO CHANGE in Class. [redacted]

[redacted] Class. [redacted]

Auth: [redacted]

Date: 20 [redacted]